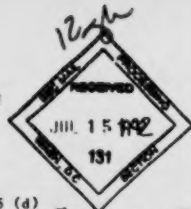




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SECURITIES AND EXCHANGE COMMISSION
Washington, D. C., 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

C92-2233

For Quarter Ended May 31, 1992

Commission File Number 1-5408

CHASE CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Massachusetts

11-1797126

(State or other jurisdiction of
incorporation of organization)(I.R.S. Employer
Identification No.)

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L-30

Suite 200

Forbes Business Center

220 Forbes Road

Braintree, Massachusetts

02184

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number including area code

617-848-2810

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Common Shares Outstanding as of June 30, 1992

4,258,348

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PART 1: FINANCIAL INFORMATION

CHS CORPORATION

CONSOLIDATED BALANCE SHEETS

ASSETS

	May 31 1992 (UNAUDITED)	Aug. 31 1991 (AUDITED)
CURRENT ASSETS		
Cash	\$ 52,259	\$ 136,417
Trade receivables, less allowance for doubtful accounts of \$89,577 and \$59,031, respectively	4,249,843	3,054,828
Note receivable (Note B)	100,000	100,000
Inventories (Note C)		
Finished and in process	1,070,400	1,082,411
Raw materials	<u>1,080,840</u>	<u>1,040,147</u>
	2,151,240	2,122,558
Prepaid expenses & other current assets	251,043	175,212
Deferred federal taxes	164,979	164,979
Refundable federal taxes	--	10,503
TOTAL CURRENT ASSETS	\$ 6,969,364	\$ 5,764,497
PROPERTY, PLANT AND EQUIPMENT		
Land and improvements	251,078	242,278
Buildings	2,276,218	2,266,423
Machinery & equipment	7,725,891	7,282,069
Construction in progress	<u>1,274,822</u>	<u>369,376</u>
	11,528,009	10,160,146
Less allowances for depreciation	<u>7,319,972</u>	<u>6,890,982</u>
	4,208,037	3,269,164
OTHER ASSETS		
Note receivable (Note B)	422,611	522,611
Excess of cost over net assets of acquired businesses less amortization	102,408	106,368
Patents, agreements and trademarks less amortization	58,872	80,297
Cash surrender value of life ins.	1,957,740	1,698,241
Deferred federal taxes	281,664	281,664
Other	<u>12,257</u>	<u>14,368</u>
	2,835,552	2,703,549
	<u>\$14,012,953</u>	<u>\$11,737,210</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

	May 31 1992 (UNAUDITED)	Aug. 31 1991 (AUDITED)
CURRENT LIABILITIES		
Accounts payable	\$ 2,411,108	\$ 1,695,029
Accrued expenses	1,551,580	1,777,272
Federal income taxes	48,241	--
Deferred compensation	556,528	845,778
Current portion of long-term debt	<u>7,432</u>	<u>40,321</u>
TOTAL CURRENT LIABILITIES	\$ 4,574,889	\$ 4,358,400
LONG-TERM DEBT, less current portion	1,750,000	370,000
Long-term deferred compensation obligation	<u>1,670,825</u>	<u>1,593,244</u>
STOCKHOLDERS' EQUITY		
First Serial Preferred Stock, par value \$1.00 a share, authorized 100,000 shares; (issued-none)		
Common Stock, par value \$.10 a share, (Note D)		
Authorized 10,000,000 shares at May 31, 1992 & August 31, 1991		
Issued 4,258,348 shares	425,835	425,835
Additional paid-in capital	2,408,313	2,408,313
Retained earnings	<u>3,191,101</u>	<u>2,581,418</u>
Cumulative G/(L) on translation	(8,010)	
	6,017,239	5,415,566
	<u>\$14,012,953</u>	<u>\$11,737,210</u>

STATEMENT OF CONSOLIDATED OPERATIONS
(in thousands)

	Nine Months Ended		Three Months Ended	
	May 31 1992	May 31 1991	May 31 1992	May 31 1991
Sales	\$ 16,409,966	\$ 16,385,517	\$ 6,330,855	\$ 5,304,327
Commission and other income	208,770	230,962	90,680	82,542
Interest	<u>31,456</u>	<u>39,095</u>	<u>9,155</u>	<u>11,461</u>
	16,650,192	16,655,574	6,430,690	5,398,330
Cost and expenses				
Cost of products sold (Note C)	11,133,997	10,930,098	4,495,734	3,583,413
Selling, general and administrative expenses	4,232,625	4,288,431	1,461,023	1,351,763
Bad debt expense	31,000	23,542	15,000	11,200
Interest expense	<u>45,831</u>	<u>73,869</u>	<u>22,730</u>	<u>28,213</u>
	15,443,453	15,315,940	5,994,487	4,974,589
Income from continuing operations before Federal Income Taxes	1,206,739	1,339,634	436,203	423,741
Federal Income Taxes	<u>349,700</u>	<u>436,927</u>	<u>125,400</u>	<u>125,800</u>
Income from continuing operations	857,039	902,707	310,803	297,941
Net earnings (loss) from discontinued operations (Note E)	<u>(16,439)</u>	<u>(96,591)</u>	<u>(25,374)</u>	<u>(61,105)</u>
Net income	<u>\$ 822,600</u>	<u>\$ 806,114</u>	<u>\$ 285,429</u>	<u>\$ 236,836</u>
Income from continuing operations per share of Common Stock				
Primary	<u>\$ 0.199</u>	<u>\$ 0.211</u>	<u>\$.072</u>	<u>\$.069</u>
Fully diluted	<u>\$ 0.198</u>	<u>\$ 0.210</u>	<u>\$.073</u>	<u>\$.068</u>
Income per share of Common Stock				
Primary	<u>\$ 0.191</u>	<u>\$ 0.189</u>	<u>\$.066</u>	<u>\$.056</u>
Fully diluted	<u>\$ 0.190</u>	<u>\$ 0.188</u>	<u>\$.067</u>	<u>\$.055</u>

See accompanying notes to the consolidated financial statements
and accountants' review report.

CHASE CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

NINE MONTHS ENDED MAY 31, 1992 and MAY 31, 1991

	Common Stock Shares		Additional Paid-In Capital	Retained Earnings	Total Sharehold- ers' Equit
	Issued	Amount			
Balance @ August 31, 1990	4,258,348	\$425,835	\$2,408,313	\$1,577,980	\$4,412,11
Net income for 9 months				806,114	806,11
Dividends paid in cash \$.05 a share in common stock				(212,917)	(212,91
Balance @ May 31, 1991	4,258,348	425,835	\$2,408,313	2,171,177	5,005,32
Net income for 3 months				410,241	410,24
Balance @ August 31, 1991	4,258,348	425,835	2,408,313	2,581,418	5,415,56
Net income for 9 months				822,600	822,60
Accumulative gain/(loss) on translation				(8,010)	(8,01
Dividends paid in cash \$.05 a share common stock				(212,917)	(212,91
Balance @ May 31, 1992	<u>4,258,348</u>	<u>\$425,835</u>	<u>\$2,408,313</u>	<u>\$3,183,091</u>	<u>\$6,017,23</u>

See accompanying notes to the consolidated financial statements
and accountants' review report.

CHASE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended	
	May 31 1992	May 31 1991
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 822,600	\$ 806,114
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	429,049	416,102
Amortization	27,445	60,205
Provision for losses on accounts receivable	30,546	(55,253)
Cumulative gain/(loss) on translation	(8,069)	--
Change in assets and liabilities		
Trade receivables	(1,225,561)	392,142
Inventories	(28,682)	68,069
Prepaid expenses & other current assets	(75,831)	(75,897)
Accounts payable	716,079	(458,935)
Accrued expenses	(225,692)	(785,247)
Federal income taxes payable	58,744	65,141
Deferred compensation	(211,669)	(272,775)
TOTAL ADJUSTMENTS	(513,641)	(646,448)
NET CASH FROM OPERATIONS	308,959	159,666
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,369,113)	(574,623)
Purchase of cash surrender value	(259,499)	(112,200)
Mortgage payments received	1,301	1,155
Proceeds from note receivable	100,000	214,289
	(1,527,311)	(471,379)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of principal on debt	(32,889)	(31,218)
Net borrowing under line-of-credit	1,380,000	470,000
Dividend paid	(212,917)	(212,917)
	1,134,194	225,865
NET CHANGE IN CASH	(84,158)	(85,848)
CASH AT BEGINNING OF PERIOD	136,417	94,336
CASH AT END OF PERIOD	\$ 52,259	\$ 8,488
CASH PAID DURING PERIOD FOR		
Income taxes	\$ 227,550	\$ 305,909
Interest	\$ 45,831	\$ 73,869

See accompanying notes to the consolidated financial statements
and accountants' review report.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 10, 1992

Note A - Basis of Presentation

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with the instructions to Form 10-Q and all adjustments (consisting of normal recurring accruals) have been made which are, in the opinion of Management, necessary to a fair statement of the results for the interim periods reported. The financial statements of Chase Corporation include the activities of its divisions and its foreign sales subsidiary.

Note B - Note Receivable

On October 26, 1990, the Avon Custom Mixing division was sold in a non-cash transaction. The Corporation exchanged inventory and accounts receivable for a note receivable which provides for payments of \$100,000 plus interest at the First National Bank of Boston prime rate due annually.

Note C - Inventories

Certain divisions used estimated gross profit rates to determine the cost of goods sold. No significant adjustments have resulted from reconciling with the interim physical inventories as a result of using this method.

Note D - Outstanding Shares of Common Stock

Income per share is based on the average number of shares and share equivalents outstanding during the period. The average number of shares and share equivalents outstanding used in determining primary per share results was 4,303,334 for the period of nine months ended May 31, 1992. Earnings per share on a fully diluted basis are calculated on 4,328,774 common shares and share equivalents. Common share equivalents arise from the issuance of certain stock options.

Note E - Discontinued Operations

During June 1991, the Company determined to dispose of its remaining fuel technology products and services operations. As a result of this action, prior year income (loss) from discontinued operations has been restated. The effect to discontinued operations is net of related taxes.

Note F - Review by Independent Public Accountant

The financial information included in this form has been reviewed by an independent public accountant in accordance with established professional standards and procedures for such a review and based on such review, no adjustments or additional disclosures were recommended.

Latter from the independent public accountant is included as a part of this report.



Livingston & Haynes, P.C.

Certified Public Accountants

TWO SUN LIFE PARK
WELLESLEY HILLS, MA 02181-5693
TEL: (617) 237-3339
FAX: (617) 237-3606

To the Board of Directors
Chase Corporation
Braintree, Massachusetts

We have reviewed the accompanying consolidated balance sheet of Chase Corporation and subsidiary as of May 31, 1992, and the related consolidated statements of operations, cash flows, and stockholders' equity for the periods of nine months ended May 31, 1992 and 1991, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Chase Corporation.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously examined, in accordance with generally accepted auditing standards, the consolidated balance sheet as of August 31, 1991, and the related consolidated statements of operations, cash flows, and stockholders' equity for the year then ended (not presented herein); and in our report dated October 15, 1991, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of August 31, 1991, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

Livingston & Haynes P.C.

Wellesley Hills, Massachusetts
July 6, 1992

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

July 10, 1992

Results of Operations

Net revenues from continuing operations increased 19% for the third quarter ended May 31, 1992 as compared to the same period last year. Approximately 60% of this increase was the result of additional sales derived by our acquisition of certain product lines and associated assets from The Stewart Group Ltd. of Markham, Ontario, Canada. Net revenues from continuing operations for the nine months ended May 31, 1992 versus the previous year were unchanged.

The cost of products sold for the first nine months of the current year increased slightly over the same period last year. A majority of this increase is the result of economic conditions that changed our mix of products to those with a greater raw material cost. For the first nine months as a percent of sales, the cost of products increase was 1%. Competitive pressure continues to prevent the Company from recovering all of its increased product costs from customers through higher selling prices.

Selling and administrative expenses during the current year are slightly lower than the prior year and as a percent of sales have not changed.

Income generated by our recent acquisition practically offset a decrease in income from other continuing operations during the nine months ended May 31, 1992 versus the same period last year. A reduction in the net loss from discontinued operations during the third quarter and nine month period this year when combined with continuing operations resulted in an increase to net income when compared to the previous periods.

Liquidity and Sources of Capital

The ratio of current assets to current liabilities was 1.5 at the end of the third quarter of 1992, compared to 1.3 at the prior year end. The improved current ratio resulted from the reduction of certain accrued current liabilities and the utilization of our long-term debt credit facility to pay other current liabilities related to the acquisition.

The increase of \$1,380,000 to long-term debt was primarily related to the acquisition for cash of certain tape product lines and associated assets from The Stewart Group, Ltd. of Markham, Ontario, Canada.

The Company had \$1,200,000 in unused available credit at May 31, 1992 under its credit arrangements with its bank and plans to continue to utilize this means to help finance its interim needs during the year. Current financial resources and anticipated funds from operations are expected to be adequate to meet requirements for funds in the year ahead.

PART II: OTHER INFORMATION

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K(a) Exhibits

Reg. S-K

Item 601

SubsectionDescription of ExhibitStatusPage
Number

Pursuant to Reg. S-K item 601 no exhibits are required.

(b) Reports on Form 8-KNo 8-K reports were filed during the three months ended
May 31, 1992No financial statements were filed during the three months
ended May 31, 1992.

Pursuant to the requirements of the Securities
Exchange Act of 1934, the registrant has duly
caused this report to be signed on its behalf
by the undersigned thereunto duly authorized.

CHASE CORPORATION

BY:

Wilfred W. Carter
Wilfred W. Carter, Chairman, Treasurer & Director
(Principal Executive and Financial Officer)

Date: July 10, 1992